



# Government Gazette

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## THE PRESIDENCY

No. 1281 5 December 2001

It is hereby notified that the President has assented to the following Act, which is hereby published for general information:—

**No. 40 of 2001: Stock Exchanges Control Amendment Act, 2001**



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**GENERAL EXPLANATORY NOTE:**

Words underlined with a solid line indicate insertions in existing enactments.

*(English text signed by the President.)*  
*(Assented to 29 November 2001.)*

**ACT**

To amend the Stock Exchanges Control Act, 1985, so as to enable a stock exchange to regulate price-stabilising mechanisms in its rules or listing requirements; and to provide for matters connected therewith.

**B**E IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

**Amendment of section 40 of Act 1 of 1985, as substituted by section 37 of Act 54 of 1995**

1. The following section is hereby substituted for section 40 of the Stock Exchanges Control Act, 1985: 5

**“Manipulative practices and price stabilisation**

**40. (1)** No person shall—

- (a) by means of any statement, promise, forecast or any other action which he or she knows to be misleading or which is likely to be misleading, induce any other person to buy or sell listed securities; 10
- (b) directly or indirectly, whether within or outside a stock exchange, by means of the creation of fictitious transactions or the spreading of false reports attempt to stimulate activities or influence or manipulate the prices of listed securities; or 15
- (c) enter into any transaction, including a bear sale, with the intention of influencing or manipulating the price of listed securities.

(2) Despite subsection (1), the use of price-stabilising mechanisms that are regulated by the rules or listing requirements of a stock exchange does not constitute a manipulative practice for purposes of this section or insider trading for purposes of the Insider Trading Act, 1998 (Act No. 135 of 1998). 20

(3) Listing requirements regulating such mechanisms may only be made in consultation with the Registrar.”

**Short title**

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2. This Act is called the Stock Exchanges Control Amendment Act, 2001.